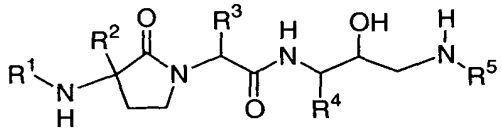
What is claimed is:

1. A compound of Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

R^1 is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, $-C(=O)NHR^{1a}$, and C_1-C_6 alkyl optionally substituted with R^{1b};

R^{1a} is C_1-C_6 alkyl optionally substituted with R^{1b};

R^{1b} is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-NR^6SO_2R^6$, $-C(=O)R^6$, $-S(=O)R^6$, $-SO_2R^6$, $-SO_2NR^6R^6$, $-SR^6$, $-S(C_1$-C_4 haloalkyl), $-OR^6$, $-O(C_1$-C_4 haloalkyl), $-(C_3$-$C_7)$cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-(C_2$-$C_6)$alkynyl;

R^2 is selected from the group consisting of C_1-C_4 alkyl, C_2-C_4 alkenyl, C_2-C_4 alkynyl, and

C_3-C_6 cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, or $-(C_3$-$C_7)$cycloalkyl;

R^3 is selected from the group consisting of C_1-C_4 alkyl, C_2-C_4 alkenyl, and C_2-C_4 alkynyl optionally substituted with R^{3a}, or phenyl optionally substituted with R^{3b};

R^{3a} is selected from the group consisting of R^{3b}, C_3-C_6 cycloalkyl optionally substituted with R^{3b}, phenyl optionally substituted with R^{3b}, and 3,4-methylenedioxyphenyl;

R^{3b} is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-C_1$-C_4alkyl, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

R^4 is selected from the group consisting of C_1-C_4 alkyl, C_2-C_4 alkenyl,and C_2-C_4 alkynyl optionally substituted with R^{4a};

R^{4a} is selected from R^{4b}, or phenyl optionally substituted with R^{4b};

R^{4b} is selected from the group consisting of halogen, $-NO_2$, $-CN$, $-NCS$, $-CH_3$, $-CH_2CH_3$, $-CH_2CH_2CH_3$, $-CH(CH_3)_2$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-OH$, $-OCH_3$,

$-OCH_2CH_3$, $-SH$, $-SCH_3$, $-SCH_2CH_3$, $-CO_2H$, $-CO_2CH_3$, $-CO_2CH_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)NH(CH_3)$, $-C(=O)N(CH_3)_2$, $-C(=O)H$, $-C(=O)CH_3$, $-NHC(=O)CH_3$, and $-NHSO_2CH_3$;

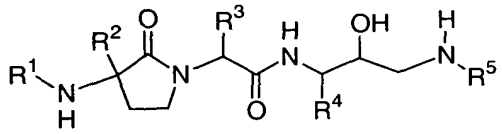
R^5 is C_1-C_{10} alkyl optionally substituted with R^{5a};

R^{5a} is selected from the group consisting of R^{5b}, C_3-C_8 cycloalkyl, C_2-C_6 alkenyl, C_2-C_6 alkynyl, and phenyl optionally substituted with R^{5b};

R^{5b} is selected from the group consisting of R^6, halogen, $-CN$, $-CF_3$, $-NO_2$, $-NCS$, $-OCF_3$, $-CO_2H$, $-C(=O)H$, $-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

R^6 is independently selected at each occurrence from the group consisting of hydrogen, C_1-C_6 alkyl and phenyl.

2. The compound of Claim 1 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

R^1 is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

R^{1a} is C_1-C_6 alkyl optionally substituted with R^{1b};

R^{1b} is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-OR^6$, -(C3-C7)cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-(C_2$-$C_6)$alkynyl;

R^2 is selected from the group consisting of C_1-C_4 alkyl, C_2-C_4 alkenyl, C_2-C_4 alkynyl, and C_3-C_6 cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, or C_3-C_7 cycloalkyl;

R^3 is C_1-C_4 alkyl optionally substituted with R^{3a};

R^{3a} is selected from the group consisting of R^{3b}, C_3-C_6 cycloalkyl optionally substituted with R^{3b}, phenyl optionally substituted with R^{3b}, and 3,4-methylenedioxyphenyl;

R^{3b} is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-C_1$-C_4alkyl, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

R^4 is C_1-C_4 alkyl optionally substituted with R^{4a};

R^{4a} is R^{4b} or phenyl optionally substituted with R^{4b};

R^{4b} is selected from the group consisting of halogen, $-NO_2$, -CN, -NCS, $-CH_3$, $-CH_2CH_3$, $-CH_2CH_2CH_3$, $-CH(CH_3)_2$, $-CF_3$, $-OCF_3$, $-SCF_3$, -OH, $-OCH_3$, $-OCH_2CH_3$, -SH, $-SCH_3$, $-SCH_2CH_3$, $-CO_2H$, $-CO_2CH_3$, $-CO_2CH_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)NH(CH_3)$, $-C(=O)N(CH_3)_2$, $-C(=O)H$, $-C(=O)CH_3$, $-NHC(=O)CH_3$, and $-NHSO_2CH_3$;

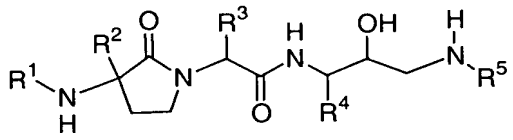
R^5 is C_1-C_{10} alkyl optionally substituted with R^{5a};

R^{5a} is selected from the group consisting of R^{5b}, C_3-C_8 cycloalkyl, C_2-C_6 alkenyl, C_2-C_6 alkynyl optionally substituted with R^{5b}, and phenyl optionally substituted with R^{5b};

R^{5b} is selected from the group consisting of R^6, halogen, -CN, $-CF_3$, $-NO_2$, -NCS, $-OCF_3$, $-CO_2H$, $-C(=O)H$, $-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

R^6 is independently selected at each occurrence from the group consisting of hydrogen, C_1-C_6 alkyl and phenyl.

3. The compound of Claim 2 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

R^1 is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

R^{1a} is C_1-C_6 alkyl optionally substituted with R^{1b};

R^{1b} is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-OR^6$, -(C3-C7)cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-C_2$-$C_6)$alkynyl;

R^2 is selected from the group consisting of C_1-C_4 alkyl, C_2-C_4 alkenyl, C_2-C_4 alkynyl, and C_3-C_6 cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, and C_3-C_7 cycloalkyl;

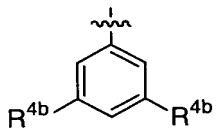
R^3 is C_1-C_4 alkyl optionally substituted with R^{3a};

R^{3a} is selected from the group consisting of R^{3b}, C_3-C_6 cycloalkyl optionally substituted with R^{3b}, phenyl optionally substituted with R^{3b}, and 3,4-methylenedioxyphenyl;

R^{3b} is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-(C_1-C_4)$alkyl, $-CF_3$, $-OH$, $-OCH_3$, $-OCH_2CH_3$, OCF_3, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

R^4 is C_1-C_4 alkyl substituted with R^{4a};

R^{4a} is selected from the group consisting of



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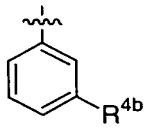
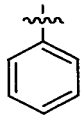


and

;

R^{4b} is selected from the group consisting of F, Cl, Br, $-CH_3$, $-CH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-OH$, $-OCH_3$, $-SH$, $-SCH_3$, $-CO_2H$, $-CO_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)CH_3$, and $-NHC(=O)CH_3$;

R^5 is C_1-C_{10} alkyl optionally substituted with R^{5a};

R^{5a} is selected from the group consisting of

R^{5b},

C_3-C_8 cycloalkyl optionally substituted with R^{5b},

C_2-C_6 alkynyl optionally substituted with R^{5b}, and

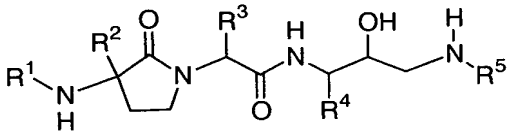
phenyl optionally substituted with R^{5b};

R^{5b} is selected from the group consisting of R^6, halogen, $-CN$, $-CF_3$, $-NO_2$, $-OCF_3$, $-CO_2H$, $-C(=O)H$,

$-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

R^6 is independently selected at each occurrence from the group consisting of hydrogen, C_1-C_6 alkyl and phenyl.

4. The compound of Claim 3 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

R^1 is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

R^{1a} is C_1-C_6 alkyl optionally substituted with R^{1b};

R^{1b} is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-NR^6R^6$, $-OR^6$, $-(C_3$-$C_7)$cycloalkyl, -imidazole, thiazole, and oxazole;

R^2 is selected from the group consisting of C_1-C_4 alkyl optionally substituted with halogen, $-CF_3$, $-OCH_3$, $-OCH_2CH_3$, or C_3-C_7 cycloalkyl;

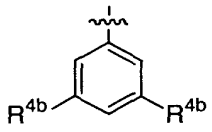
R^3 is C_1-C_4 alkyl optionally substituted with R^{3a};

R^{3a} is selected from the group consisting of phenyl optionally substituted with R^{3b}, and 3,4-methylenedioxyphenyl;

R^{3b} is independently selected at each occurrence from the group consisting of F, Cl, R^6, $-CF_3$, OH, $-OCH_3$, $-OCH_2CH_3$, and $-NR^6R^6$;

R^4 is C_1-C_4 alkyl substituted with R^{4a};

R^{4a} is selected from the group consisting of



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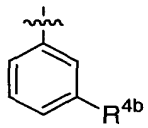
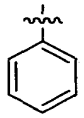


and

;

R^{4b} is selected from the group consisting of F, Cl, Br, $-CH_3$, $-CF_3$, -OH, $-OCH_3$, $-NH_2$, $-NH(CH_3)$, and $-N(CH_3)_2$;

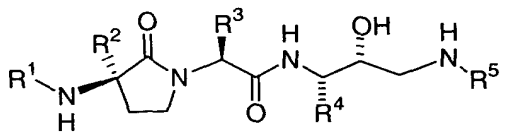
R^5 is C_1-C_2 alkyl optionally substituted with R^{5a};

R^{5a} is selected from the group consisting of R^{5b}, C_3-C_4 cycloalkyl optionally substituted with R^{5b}, alkynyl, and phenyl optionally substituted with R^{5b};

R^{5b} is selected from the group consisting of R^6, F, Cl, -CN, $-OR^6$, and $-NR^6R^6$; and

R^6 is independently selected at each occurrence from the group consisting of hydrogen, C_1-C_6 alkyl and phenyl.

5. The stereoisomer compound of Claim 4 having the Formula (Ia)



(Ia)

or a pharmaceutically acceptable salt thereof.

6. The compound of Claim 1 of selected from the group consisting of

(2S)-2-(3(S)-Acetylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-(3,5-difluoro-benzyl)-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-Acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-Acetylamino-3(-cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(2(S)-amino-5-carboxypentanoylamino)-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S,2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(2-methoxy-acetylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-propionylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-ethoxycarbonylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-methoxycarbonylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-ethylureido-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(3-hydroxypropionylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(4-hydroxybutyrylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-(isobutyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-chloro-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(propargylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3,5-difluorobenzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-((3-trifluoromethylbenzyl)amino)-propyl]-4-phenyl-butyramide;

2-(3(S)-Acetylamino-3(S)-isobutyl-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-benzylamino-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-fluoro,5-(trifluoromethyl)benzylamino)-propyl]-4-phenyl-butyramide;

2-(3(S)-Acetylamino-3(S)-isobutyl-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-3-(2-cyano-ethylamino)-2-hydroxy-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(2-methoxyphenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3,4-methylenedioxyphenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3-fluorophenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(4-fluorophenyl)-butyramide; and

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3-methoxyphenyl)-butyramide;

or a pharmaceutically acceptable salt thereof.

7. A pharmaceutical composition for the treatment of disorders responsive to the inhibition of β-amyloid peptide production comprising a therapeutically effective amount of a compound of claim 1 in association with a pharmaceutically acceptable carrier or diluent.

8. A method for the treatment of disorders responsive to the inhibition of β-amyloid peptide production in a mammal in need thereof, which comprises administering to said mammal a therapeutically effective amount of a compound of claim 1.

9. A method of of claim 8 wherein said disorder is Alzheimer's Disease, cerebral amyloid angiopathy and Down's Syndrome.